Oil Production Networks in the Russian Arctic: Societal Impacts and Potential for Partnerships

Extractive industries are the most rapidly developing economic activity in the Arctic today. Transnational corporations (TNC) are increasingly attracted to the remote regions of the Russian Arctic to drill vast oil reserves. Russia is one of the most important oil and gas suppliers to the EU and Finland. But little is known about what is happening in Russia’s local communities where oil extraction occurs.

The Russian economy is dependent on oil and the Russian state plays the primary role governing the Russian oil industry and is a significant shareholder. However, the Russian government has not prioritised the effective regulation of the oil industry’s social and environmental impact (Stammler and Wilson 2006, Yakovleva 2011). To ensure the sustainability of oil production and the protection of indigenous peoples’ rights, global standards are developed at the transnational level. Despite TNCs’ claims to adhere to global standards, the relationships between TNCs and indigenous people have in practice been marked by damage to indigenous lands, forced displacement, violations of rights to resources, cultural destruction, and increased poverty. This research aims to analyse the extent to which such problems have been replicated in the Russian Arctic.

We hypothesise that, in the absence of appropriate national regulation in Russia, global standards regulating oil production networks can assist in protecting the rights of local inhabitants and in developing democratic decision-making processes in natural resources management. The project will investigate how national legislation and the local/national context influence the adoption and implementation of global standards and financial flows towards indigenous communities.

The project focuses on the global production networks (GPNs) that shape the interaction among indigenous peoples, oil companies and other actors in the Russian Arctic. It will determine how these networks could be constructed to ensure the coexistence of profitable industries and sustainable indigenous communities.

Three ideal types of oil GPNs have been identified: the partnership mode, the CSR mode, and the paternalistic mode. Each mode captures a distinct pattern of interaction between the company and indigenous communities. Using methods of sociology and legal studies, the project will identify the best benefit sharing practices, coming from the oil companies towards indigenous communities, and will communicate the results to Arctic policy-makers.

More information:

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